

BMW Group

October 15, 2003

RECEIVED

OCT 24 P 3 52

Mr. Kenneth N. Weinstein
Associate Administrator for Enforcement
National Highway Traffic Safety Administration
400 7th Street, SW
Washington, DC 20590

SALES OF DEFECTS
NOTIFICATION

**RE: Recall Campaign - Airbag Control Module
2001 BMW 5-Series**

03V-421 ① of ⑥

Dear Mr. Weinstein:

This notice is sent to you in accordance with the requirements of the National Traffic and Motor Vehicle Safety Act of 1966 and 49 CFR Part 573.

Pursuant to Section 573.6(c), we submit the following information.

- Manufacturer: Bayerische Motoren Werke AG (BMW AG)

Designated Agent: BMW of North America, LLC
Woodcliff Lake, NJ 07677
- Make: BMW

<u>Model Year / Model</u>	<u>Inclusive dates of manufacture</u>
2001 / 5-Series	01/01/2001 - 08/31/2001
- The number of vehicles affected is approximately 23,000.
- The percentage of vehicles estimated to actually contain the defect is approximately 0.1%.
- The potential defect involves the airbag control module which activates the front airbags, the side airbags (including Head Protection System (HPS)), the front seat safety belt pretensioners, and the Battery Safety Terminal (BST). Specifically, a microprocessor in the control module may have a malfunction that could lead to an unintended activation of one or more components identified above.

During the initialization phase directly after switching the ignition to the ON position, or when starting the vehicle, the microprocessor may sporadically transmit indeterminate signals that could activate one or more of the components. If the BST activates, the starter cable would become disconnected from the battery, and the engine could not be restarted.

Company
BMW of North America, LLC

BMW Group Company

Mailing address
PO Box 1227
Westwood, NJ
07675-1227

Office address
300 Chestnut Ridge Road
Woodcliff Lake, NJ
07677-7731

Telephone
(201) 307-4000

Fax
(201) 307-4085

Website
bmwusa.com



The name, business address, telephone number, and contact person of the supplier of the airbag control unit are:

Conti Temic Microelectronics GmbH
Name: H. Friedrich
Ringlerstr. 17
85057 Ingoletadt
Germany

Tel.: 49-841-88112351
Fax.: 49-841-88112385

6. BMW has received six field reports worldwide involving an allegation of minor injury over the course of an approximately two-year period. Three of those cases pertain to vehicles in the US.

Investigations and analyses of this occurrence in the field have resulted in a determination of the potential consequences of the problem, and the range of potentially affected vehicles.

7. Not applicable.
8. BMW will conduct a recall campaign to replace the airbag control module.
BMW expects to begin and complete owner notification in November 2003.
9. A copy of the Service Bulletin will be submitted when available.
10. A draft copy of the owner notification letter is attached.
11. Not applicable.

Sincerely,



Karl-Heinz Zivica
General Manager
Environmental Engineering

Attachment

TREAD ACT CUSTOMER REIMBURSEMENT PLAN
(BMW of North America, LLC)

03V-421 ③ of ⑥

Customer Reimbursement for Safety Related Recall Repairs
Effective with Safety related recalls initiated January 15, 2003

The customer is encouraged to request reimbursement from their authorized BMW center. Alternatively, the customer may submit the request for reimbursement to the following address:

Customer Relations Department
BMW of North America, LLC
P.O. Box 1227
Westwood, NJ 07875-1227

In all cases:

- Repair expenses pertaining to the subject of the safety recall are reimbursable, not consequential expenses such as towing, rental, accommodations, damage repairs, etc.
- Expenses from repair facilities outside of the BMW center network will be considered; however, the procedure must meet BMW standards and use BMW Genuine Parts.
- When BMW Genuine Parts are used, the Manufacturers Suggested Retail Price (MSRP) will be considered as the guideline for reasonable charges.
- Expenses for repairs performed more than 10 days after the date of the last owner notification letter sent by BMW are not eligible for reimbursement.
- Taxes and hazardous waste disposal, where previously paid, are eligible for reimbursement.
- BMW will not reimburse for prior repairs that did not utilize BMW Genuine Parts.

The authorized BMW center will request a copy of the owner notification letter, as well as, a copy of the owner's previously paid invoice, and then inspect the vehicle (if still in the possession of the invoice holder) to determine the scope and quality of the previous repair. Claims shall be processed within 60 days of receipt.

DRAFT

November xx, 2003

03V-421 ④ of ⑤

Recall Campaign No. 03V-XXX: Airbag Control Module

Dear BMW Owner:

This notice is sent to you in accordance with the requirements of the National Traffic and Motor Vehicle Safety Act.

BMW AG has decided that a defect, which relates to motor vehicle safety exists in certain 2001 Model Year BMW 5 Series vehicles. Our records indicate that you are the owner of a potentially affected vehicle.

DESCRIPTION OF DEFECT

The defect involves the airbag control module of your car. A microprocessor in this module could cause one or more airbags to deploy when placing the key in the ignition ON position, or when starting the vehicle.

In this case, unexpected deployment of the airbag(s) could cause serious injury if an occupant is too close to the deploying airbag(s).

In addition, the Battery Safety Terminal (BST) may also be activated. If that happens, the starter cable would become disconnected from the battery, and the engine could not be restarted.

PRECAUTIONS

1. **CONTACT YOUR AUTHORIZED BMW CENTER IMMEDIATELY TO HAVE THE NECESSARY REPAIR PERFORMED AS SOON AS POSSIBLE.**
2. When placing the key in the ignition ON position, or when starting the vehicle, occupants should NOT be in close proximity to the driver or front passenger airbag, or the side airbags (including Head Protection System (HPS)). Drivers should not place themselves near the airbag cover located on the steering wheel, and front passengers should not place themselves near the airbag cover located on the instrument panel above the glove box. Occupants should be sitting upright against the back of their seat.
3. In addition, when placing the key in the ignition ON position, or when starting the vehicle, never let an occupant's head rest near any side airbag. Do not lean towards or against a door with a side airbag.
4. Refer to the appropriate safety information in your Owner's Manual, and observe the warnings contained in the airbag warning labels on your car.

5. If you experience this problem, contact BMW Roadside Assistance at 1-800-332-4269 immediately to have the vehicle brought to the nearest authorized BMW center.
6. If you are not the only driver of this vehicle, please advise all other drivers of this important information.

DESCRIPTION OF REPAIR

The repair will consist of replacing the airbag control module.

The repair will require approximately two hours. This work will be performed free of charge by your Authorized BMW center. Additional time may be required depending on the BMW center's scheduling and processing.

OTHER INFORMATION

If you are no longer the owner of this vehicle, we would appreciate you furnishing us with the name and address of the new owner, using the enclosed postage-paid card.

If you are a lessor of this vehicle, Federal Regulations require you to forward this notice to your lessee.

If you have already had this repair performed at your own expense, please see the attachment regarding possible eligibility for reimbursement.

Should you have any questions about this campaign, please contact your Authorized BMW center.

We appreciate your confidence in our product, and we wish to do everything we can to retain your confidence. Should you need additional assistance, you may contact BMW Customer Relations at 1-800-831-1117.

If the BMW center is unable to remedy the defect without charge or within a reasonable period of time, you may notify the Administrator, National Highway Traffic Safety Administration, 400 Seventh St., S.W., Washington, DC 20590, or call the toll-free Auto Safety Hotline at 1-888-327-4238.

BMW OF NORTH AMERICA, LLC

TREAD ACT CUSTOMER REIMBURSEMENT PLAN
(BMW of North America, LLC)

03V-421 ⑥ of ⑥

If you have paid for the repair described in the attached letter, and you would like to be considered for reimbursement, please contact your authorized BMW center. Expenses from repair facilities outside of the BMW center network will be considered; however, the procedure must meet BMW standards and use BMW Genuine Parts.

Your authorized BMW center will request a copy of your owner notification letter, as well as, a copy of your previously paid invoice, and then inspect the vehicle (if it is still in your possession) prior to submitting a claim on your behalf to BMW of North America, LLC for reimbursement.

Please note the following:

- Only a repair that is the subject of this safety recall is reimbursable. Consequential expenses such as towing, rental, accommodations, damage repairs, etc will not be reimbursed.
- When BMW Genuine Parts are used, the Manufacturers Suggested Retail Price (MSRP) will be considered as the guideline for reasonable charges.
- Expenses for repairs performed more than 10 days after the date of the last owner notification letter sent by BMW are not eligible for reimbursement.
- Taxes and hazardous waste disposal, where previously paid, are eligible for reimbursement.
- BMW will not reimburse for prior repairs that did not utilize BMW Genuine Parts.

We anticipate that your authorized BMW center will be able to answer any questions that you may have regarding your qualifications for reimbursement of a previous repair. If you qualify for such a reimbursement, they will also be able to advise you of the manner in which you could receive reimbursement.

We recommend that your authorized BMW center be your primary contact on this issue; however, our Customer Relations Department may be contacted at 1-800-831-1117 for any special assistance that you may require.

Alternatively, you may submit your request for reimbursement to the following address:

Customer Relations Department
BMW of North America, LLC
P.O. Box 1227
Westwood, NJ 07675-1227